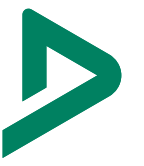




WHITE PAPER

Well-Functioning EHS: Do you Need Evolution or Revolution to Get There?



Is your EHS organization functioning effectively? Is it working in partnership with business operations to meet the needs of today, tomorrow, and **the future? Does it have the capability to adjust and remain aligned with the business as conditions change?**

Not there yet? Getting to “yes” requires:

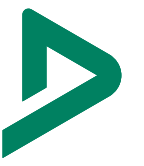
- An understanding of the current state of the organizational culture and the organization’s maturity in being able to continuously learn, adjust, and improve in line with goals and expectations
- Grounding knowledge of the EHS profession as well as the skills necessary to deliver EHS services aligned with business direction and goals
- A solid framework guiding EHS and providing guidelines in which to operate

The following guidance will help you get there. First we’ll look at how to determine your organization’s current EHS maturity, considering activities and roles to assist in advancing that maturity. Next, we’ll look at the elements that need to be effectively implemented and integrated to enable high-performing and world-class organizations. Finally, we’ll look at how to put these components together to build effectiveness not only for EHS but also for the business as a going concern and preferred employer.

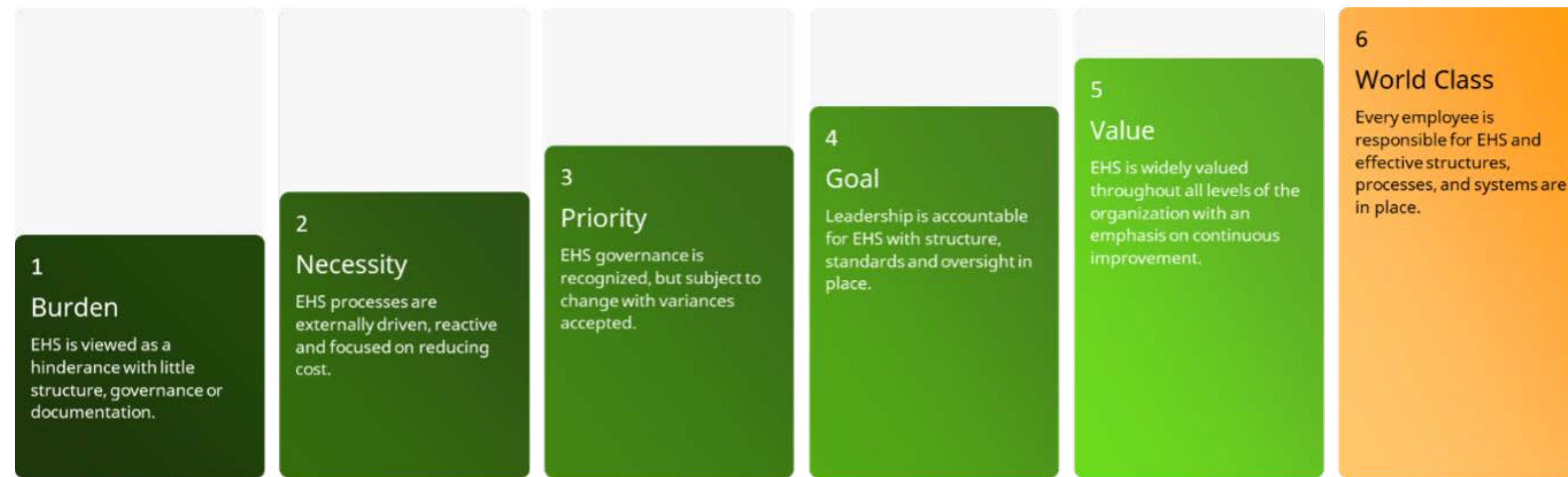
First Things First: Defining Needs

Where are you starting with EHS? And where do you want to go as an organization?

To begin, you’ll need to understand where you are on an EHS maturity continuum. This is your baseline.



▶ EHS Maturity Continuum



Next, you'll consider where you want to be as an organization in the next three to five years.

- **Tactical needs** are the resources necessary for the here and now. From a staffing perspective, these are the skills necessary to maintain the ongoing business. They are identified through a thorough understanding of your business requirements, whether regulatory, industry standards, corporate, or others. Assessments, audits, and inspections are common "review" tools used for identifying gaps in fulfilling requirements and indicate the resources and actions needed to close the gaps. These reviews, which are essential to monitoring system integrity, can be internal or external.

Internal reviews are likely conducted by those associated with the processes (often your EHS team) to assure ongoing conformance and to minimize drift from expected

practices. This is critical to maintaining process integrity. However, keep in mind that internal reviews look from the "inside out," often with a narrow point of view.

External reviews (3rd party) are conducted by those not associated with the processes being reviewed. Periodic external reviews bring fresh, impartial eyes that deliver the insights, new perspectives, and best practices that drive continuous improvement. External reviews can be especially transformative when conducted by or including reviewers/consultants with broad cross-industry experience.

- **Strategic needs** represent what it takes to get to the next level of your performance journey, be it higher EHS maturity or an evolution in the scope of the business. While strategic thinking often starts with the what, why, and when of initiatives, it may not go deep enough into preparatory analysis and alignment of the resource skills

and knowledge necessary to achieve that change until the need actually arises. This is a real shortcoming.

Incorporating an assessment of the knowledge and expertise needed—and understanding when and for how long that need will exist—is a critical step to a fully developed strategic plan. It lets you determine (1) where and how to best deploy internal and external resources and (2) how to close gaps in achieving strategic goals so you can move from the now to the next in a continuous and appropriately resourced way.

As these tactical and strategic needs are defined, it's up to organizational leadership to set the expectations for meeting them and to reinforce them through direct and symbolic actions.



What Good Looks Like: The Five Domains of EHS Effectiveness

Once we understand our dynamic needs, we need to consider how they will function within the EHS system. This starts by considering the key elements (domains) necessary for EHS to function effectively and seamlessly within the organization. (Note: This is different from reporting relationship and structure, a topic covered in a previous DEKRA paper, No Secret Formulas: Tailoring EHS Staffing Optimization for your Organization.

DEKRA's holistic model includes five interacting domains (elements) that when implemented fully support the high performance and resilience that characterize best-in-class organizations. It's also a useful framework to determine resource allocation: where best to apply EHS resources, where to empower operational resources with EHS responsibility, and where to leverage external resources.

Let's consider each domain in the context of EHS resource needs and application. Think about the roles your EHS team currently plays, whether these roles are appropriate, and whether they are best handled by a full-time team member or better outsourced to a trusted external consulting partner on an as-needed basis. Different stakeholders in your organization may have different views on this, so be sure to seek out their perspectives as well.

Leadership and Culture

We know that culture determines how an organization operates: what's important, what the unwritten rules are, and what expectations drive how work gets done. We couple culture with leadership because it's leaders who set expectations and then ingrain those expectations into the organization, shaping the culture through visible actions and words delivered consistently over time. Leadership at each level carries the responsibility for aligning expectations as well as for seeking out and removing barriers to realizing those expectations.

The EHS team is largely supportive to leadership (including its own leadership), in high performing organizations providing input on certain expectations and setting others. EHS also provides the wherewithal, when needed, to enable approaches and techniques for removing barriers. EHS team members in various roles contribute to this domain, but are largely advisory at higher levels of performance.

Governance

Governance is the structure that enables goal setting and communication of those goals, gathering and compiling metrics, and adjusting the direction of organizational EHS performance. Much of the activity is owned by leadership (high-level governance) and the

line (worker-level governance). Governance ensures that promises are met, progress is made, and goals are achieved.

The EHS team's role is that of facilitation, and providing EHS subject expertise (including technical resources) and advice in operation of governance, including councils and committees and their interacting structure. As organizations become more mature, approaching best-in-class performance, we see the EHS team involvement becoming less tactical and more advisory to the operational team as they implement safety principles and solutions.





Operational Interface

This is where the value of the organization is created. At DEKRA we call this the “Operational Interface,” where processes, people, and equipment come together. It is how they come together that shapes the risk profile of the value proposition. Workers at (controlling) the working interface are best positioned to create a safe environment.

Low-performing organizations tend to rely on safety professionals to “keep this space safe.” This is often characterized by compliance-oriented safety activities at the operational interface. High-performing organizations turn this philosophy on its head. They empower and support the people at and controlling the line activities to own the safety of those activities in accordance with organizational values. As a result, the safety team evolves from compliance police to safety innovation facilitators and advisors as the organization’s EHS maturity progresses. This often requires fewer resources, sometimes augmented with external consultants/experts.

Exposure Control (Enabling) Systems

Operating procedures, instructions, and aids are examples of the exposure control systems that guide how work gets done safely, reliably, and effectively. Users are the front-line people with their hands on tools and processes, as well as those who guide them. The key expectation is that these systems are structured (with line input) and available in a

manner that drives consistent performance with minimal drift and deviation. Robust and available exposure control systems designed to support human performance principles counteract the tendency toward operating on tribal knowledge and also prevent drift that normalizes deviations over time.

The EHS team plays key but often differing roles in exposure control systems at either end of the EHS maturity continuum. At low maturity, the EHS team is the author translating regulations into operational steps and is often tasked with writing and enforcing the systems in a directive manner. Here EHS principles may be viewed as at odds with production goals.

At high maturity, the EHS team is an advisor on techniques and opportunities for managing risk and controlling exposures. High-performing organizations embrace exposure control systems as essential to reliable production and tap users as key to the systems’ development and maintenance. The operational team is generating operational tools for assuring efficient and effective performance while the EHS team contributes expertise in generating the systems and evolving them with changing conditions.

Performance Management (Sustaining) Systems

Selecting the best people for needed roles, developing them to their full capabilities, providing feedback along the way, and recognizing performance (including accountability)

are all aspects of effective performance management and characteristic of high-performing organizations. Generally, hiring managers are the key to leveraging these aspects of performance management, with varying levels of HR support. The EHS team tends to have low influence incorporating EHS attributes for line and supervisory workers in lower- to mid-maturity organizations, tending to be more influential in establishing criteria and identifying EHS performance measures at all hiring levels in more mature organizations.

Re-evaluating EHS, Informed with New Knowledge

Where am I today?

Now that we have considered the five domains that make up effective EHS functioning, look again at the maturity curve. Where does your organization fall? Is there variation from business unit to business unit? From location to location? How would others in your organization view their position on the curve? Why?

Use this information as an indicator of where and how your EHS is operating and with how much variability.

What is my next step?

Next, consider the discussion around each of the domains, which should have included relevant stakeholders. This will provide you indications of what sorts of roles your team is currently occupying and enable you to consider (1) if those



roles are appropriate and (2) if they are best met through a full-time role or as-needed from a trusted external partner. Keep in mind these views are likely framed in the present and most applicable to tactical actions. As you consider strategic actions, recognize the roles of your team and others and how they will need to evolve. Think about how best to effect and manage that change.

What is my goal?

Finally, where is your strategic plan taking you? Who will implement each part and how broadly can it be owned? Will it influence EHS maturity in the ways that you intend? How can you track it's progress; both tactically and strategically? Consider the domains in which your strategic actions lie and their secondary impacts and influences. And given the discussion of domains, maturity, and role identity, determine who should be involved, and who is critical to the success of your strategic plan. Then engage them to bring the plan to life,...

Learn More

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